54 EC of the Income Tax Act. The proposals of electrification of villages during the next two years in Himachal Pradesh would also be covered under the above mentioned package of initiatives.

Imposition of Cess on Power Consumers

4349. SHRI C. RAMACHANDRAIAH:
SHRI ABANI ROY:
DR. ALLADI P. RAJKUMAR:

Will the Minister of POWER be pleased to state:

(a) whether there is any proposal to impose a cess on consumers of power in the country;

(b) if so, the details thereof and objectives to be achieved thereby and whether approval of CERC has been sought in this regard;

(c) the total amount of fund that is likely to be mobilized annually;

(d) whether the State Governments have been consulted in this regard;

(e) if so, the details of their reactions;

(f) whether levying of the cess will ease the liability of the State Electricity Boards in any way; and

(g) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (g) The policy on Hydro Power Development announced by the Government of India in August 1998 provides for establishment for National Power Development Fund through levy of cess at 10 paise per Kwh of electricity consumed in the country. The Central Electricity Regulatory Commission (CERC), however, in its order dated 21.12.2000 in the matter of operational norms for thermal generation etc. have fixed a development surcharge on every bill for fixed charges (for National Hydro Electric Power Corporation both on capacity and energy charges) raised by utilities in respect of generation/transmission at regional levels. The rates of surcharge are

5% for NTPC, Neyveli Lignite Corporation and NHPC and 10% for POWERGRID. The surcharge is intended to specifically meet a portion of the capital expenditure for the purpose of capacity addition. The amount collected and invested in the project will not earn any return on equity in the tariff. To allay the apprehensions of States, CERC has in its order indicated the manner of collection, deposit and expenditure from the amount collected by way of such uses.

Hearings before CERC are transparent and in the above cases some of the representatives of state level utilities were present. The order of CERC is yet to be implemented as there is a stay order granted by the Hon'ble Delhi High Court.

Setting up National Power Grid

4350. SHRI KRISHNA KUMAR BIRLA: Will the Minister of POWER be pleased to state:

(a) whether Government have been actively considering a proposal to set up a National Grid to solve the problem of power in the entire country;

(b) if so, whether the Power Grid Corporation of India Ltd. has since failed to meet the requirement of power in the country;

(c) if so, the reasons therefor;

(d) whether ADB and other financial institutions have agreed to provide loans to Government for setting up a National Grid; and

(e) if so, the time by when it is likely to be set-up?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (e) Development of transmission system to form National Power Grid is a continuous process. At present, Indian Power system is divided into five Regional grids and within each region strong inter-connection and well developed Regional grids are in position. In order to extend the benefit of generation resources all over the country and to transfer surplus power in one region to a power deficit region, interconnections of regions have been planned.